

Company Registration No. 01249053 (England and Wales)

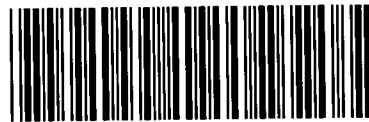
JIM DAVIES CIVIL ENGINEERING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 JANUARY 2017

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JIM DAVIES CIVIL ENGINEERING LIMITED

COMPANY INFORMATION

Directors Mr D J Davies
 Mr J P Davies
 Mrs W Davies

Secretary Mrs W Davies

Company number 01249053

Registered office Ty Gwyn
 Banalog Terrace
 Hollybush
 Blackwood
 Gwent
 United Kingdom
 NP12 0SG

Auditor UHY Hacker Young
 Lanyon House
 Mission Court
 Newport
 South Wales
 United Kingdom
 NP20 2DW

JIM DAVIES CIVIL ENGINEERING LIMITED

CONTENTS

	Page
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 9

JIM DAVIES CIVIL ENGINEERING LIMITED

BALANCE SHEET

AS AT 1 JANUARY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4	1,109,804		1,230,620	
Investments	5	7,680		7,680	
		<u>1,117,484</u>		<u>1,238,300</u>	
Current assets					
Stocks		3,750		3,750	
Debtors	6	2,287,606		601,650	
Cash at bank and in hand		1,343,807		1,687,156	
		<u>3,635,163</u>		<u>2,292,556</u>	
Creditors: amounts falling due within one year	7	<u>(2,703,571)</u>		<u>(2,148,365)</u>	
Net current assets		<u>931,592</u>		<u>144,191</u>	
Total assets less current liabilities		<u>2,049,076</u>		<u>1,382,491</u>	
Provisions for liabilities		<u>(16,507)</u>		<u>(216,342)</u>	
Net assets		<u><u>2,032,569</u></u>		<u><u>1,166,149</u></u>	
Capital and reserves					
Called up share capital	8	18,830		18,830	
Profit and loss reserves		2,013,739		1,147,319	
Total equity		<u><u>2,032,569</u></u>		<u><u>1,166,149</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 13/06/2017 and are signed on its behalf by:

J P Davies

Mr J P Davies
Director

Company Registration No. 01249053

JIM DAVIES CIVIL ENGINEERING LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 1 JANUARY 2017**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 2 January 2015		18,830	1,070,981	1,089,811
Year ended 1 January 2016:				
Profit and total comprehensive income for the year		-	576,338	576,338
Dividends		-	(500,000)	(500,000)
Balance at 1 January 2016		18,830	1,147,319	1,166,149
Year ended 1 January 2017:				
Loss and total comprehensive income for the year		-	(1,633,580)	(1,633,580)
Capital contribution		-	2,500,000	2,500,000
Balance at 1 January 2017		18,830	2,013,739	2,032,569

JIM DAVIES CIVIL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 JANUARY 2017

1 Accounting policies

Company information

Jim Davies Civil Engineering Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ty Gwyn, Banalog Terrace, Hollybush, Blackwood, Gwent, United Kingdom, NP12 0SG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 1 January 2017 are the first financial statements of Jim Davies Civil Engineering Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 2 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% on reducing balance
Fixtures, fittings & equipment	10% on reducing balance
Motor vehicles	25% on reducing balanes

JIM DAVIES CIVIL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 1 JANUARY 2017

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 1 JANUARY 2017

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

JIM DAVIES CIVIL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 1 JANUARY 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Trusts have been established for the benefit of company employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from these monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

JIM DAVIES CIVIL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 1 JANUARY 2017

2 Exceptional costs

	2017 £	2016 £
Cost settlement of EBTs	2,488,995	-
Interest on overdue tax	44,624	-
Tax relief in respect of prior periods	(244,823)	-
	<u>2,288,796</u>	<u>-</u>
Total exceptional costs	<u>2,288,796</u>	<u>-</u>

During the current year the company has recognised an exceptional cost of £2,488,995 related to the settlement of liabilities related to Employee Benefit Trusts (EBTs) set up in prior periods. The cost recognised in the current period represents the settlement of the liability with HMRC, including interest and penalties. Exceptional items included in taxation are adjustments relating to losses incurred in prior years as a result of the settlement.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2016 - 28).

4 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 2 January 2016	1,144,423	68,426	856,470	2,069,319
Additions	163,300	1,599	113,338	278,237
Disposals	(172,469)	-	(220,479)	(392,948)
	<u>1,135,254</u>	<u>70,025</u>	<u>749,329</u>	<u>1,954,608</u>
At 1 January 2017	<u>1,135,254</u>	<u>70,025</u>	<u>749,329</u>	<u>1,954,608</u>
Depreciation and impairment				
At 2 January 2016	414,975	37,528	386,195	838,698
Depreciation charged in the year	104,637	3,210	95,435	203,282
Eliminated in respect of disposals	(72,728)	-	(124,448)	(197,176)
	<u>446,884</u>	<u>40,738</u>	<u>357,182</u>	<u>844,804</u>
At 1 January 2017	<u>446,884</u>	<u>40,738</u>	<u>357,182</u>	<u>844,804</u>
Carrying amount				
At 1 January 2017	<u>688,370</u>	<u>29,287</u>	<u>392,147</u>	<u>1,109,804</u>
At 1 January 2016	<u>729,446</u>	<u>30,899</u>	<u>470,275</u>	<u>1,230,620</u>

5 Fixed asset investments

	2017 £	2016 £
Investments	<u>7,680</u>	<u>7,680</u>

JIM DAVIES CIVIL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 1 JANUARY 2017

5 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 2 January 2016 & 1 January 2017	7,680
Carrying amount	
At 1 January 2017	7,680
At 1 January 2016	7,680

6 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	395,428	267,344
Corporation tax recoverable	138,482	-
Amounts due from group undertakings	1,663,851	-
Other debtors	89,845	334,306
	<u>2,287,606</u>	<u>601,650</u>

Included in trade debtors is a balance of £147,000 (2016: £147,000) which relates to retention monies due on contracts, some of which is recoverable after more than one year.

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	264,428	486,394
Amounts due to group undertakings	-	1,337,220
Corporation tax	-	138,482
Other taxation and social security	105,124	154,787
Other creditors	2,334,019	31,482
	<u>2,703,571</u>	<u>2,148,365</u>

JIM DAVIES CIVIL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 1 JANUARY 2017

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
18,730 ordinary shares of £1 each	18,730	100
100 class E shares of £1 each	100	18,730
	<u>18,830</u>	<u>18,830</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444 (5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Mr John Griffiths.

The auditor was UHY Hacker Young.

10 Related party transactions

As shown in the Statement of Changes in Equity, during the year the parent company made a capital contribution of £2,500,000.

At the year end, there was £1,663,851 (2016: £1,337,220 due to) due from Jim Davies Holdings Limited, the ultimate parent company. This amount is included in debtors amounts falling due within one year (2016: included within creditors amounts falling due within one year).

Mr J Davies and Mr D J Davies operate current loan accounts with the company, which are debited with payments made by the company on behalf of the directors and credited with funds introduced and undrawn directors' fees. At the year end, the balance due to Mr J Davies was £8,359 (2016: £9,698) and the balance due to Mr D J Davies was £nil (2016: £784), both amounts being included in creditors amounts falling due within one year. The loans are non-interest bearing and there are no fixed repayment dates.

11 Parent company

In the opinion of the directors, the ultimate parent company is Jim Davies Holdings Limited; a company incorporated in Great Britain and registered in England and Wales.

The ultimate controlling party is Mr J P Davies and Mrs W Davies by virtue of their 100% shareholding in Jim Davies Holdings Limited.